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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	: Chapter 11 Case No.
	:
LEHMAN BROTHERS HOLDINGS INC., et al.,	: 08-13555 (JMP)
	:
Debtors.	: (Jointly Administered)
-----X	

**STATEMENT OF LEHMAN BROTHERS HOLDINGS INC.
IN SUPPORT OF MOTION OF ROLAND HANSALIK, GEORGE
BARCLAY PERRY AND JOSEPH ARENA FOR AN ORDER MODIFYING
THE AUTOMATIC STAY TO ALLOW PAYMENT OF A JUDGMENT UNDER THE
DIRECTORS AND OFFICERS INSURANCE POLICIES ISSUED TO THE DEBTORS**

TO THE HONORABLE JAMES M. PECK
UNITED STATES BANKRUPTCY JUDGE:

Lehman Brothers Holdings Inc. ("LBHI") and its affiliated debtors (collectively, the "Debtors") in the above-captioned cases under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), by and through its undersigned counsel, hereby files this statement (the "Statement") in support of the motion, dated June 29, 2011 (the "Motion") of Roland Hansalik, George Barclay Perry and Joseph Arena (collectively, the "Insured Persons"), pursuant to section 362(d) of the Bankruptcy Code and rule 4001(a)(3) of the Federal Rules of Bankruptcy Procedure, for an order modifying the automatic stay (to the extent applicable and necessary) to allow payment of an award entered by an arbitration panel appointed by the Financial Industry Regulatory Authority against the Insured Persons for \$15 million (the "Award") under the directors' and officers' liability insurance policies issued to the Debtors for

claims made during the 2007-2008 policy period (collectively, the “D&O Policies”) [ECF No. 18157], respectfully represent:

STATEMENT

1. By the Motion, the Insured Persons seek relief from the automatic stay extant pursuant to section 362 of the Bankruptcy Code for the limited purpose of allowing, though not requiring, payment of the Award under the D&O Policies. The Debtors have sought relief similar to the relief sought in the Motion on a number of occasions and have no objection to a modification of the automatic stay to the extent necessary to allow for said payment.

2. The Debtors, however, do find it necessary to correct a misstatement contained in the Motion. The misstatement, which occurs in paragraph 9 of the Motion, indicates that U.S. Airways, Inc. (“U.S. Air”) was a customer of the Debtors. The Debtors deny that U.S. Air was a customer of, or has any valid and/or allowable claims against, any of the Debtors.

3. Lastly, the Debtors have discussed with counsel for the Insured Parties certain issues regarding the form of the proposed order submitted with the Motion and counsel for the Insured Parties has agreed to submit a revised form of order addressing the Debtors’ concerns. The Debtors reserve their rights to supplement or amend this Statement in the event that a satisfactory revised form of order is not submitted to the Court.

WHEREFORE, subject to the foregoing, the Debtors have no objection to the
Court granting the relief requested in Motion and granting such other and further relief as is just.

Dated: July 13, 2011
New York, New York

/s/ Richard P. Krasnow

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